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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1073 Domestic and export prices increased 2-4 percent from the previous week due to rumors of large-volume enquiries from private importers in the Philippines. Thai rice millers speculate that exporters will have to secure their new-crop rice supplies if the deals are finalized.

Post:
Bangkok

Author Defined:
Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending June 6, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	965	-	940	-	960	950	-	954	939
WR 100 B	500	-	520	-	510	510	520	512	493
PB 100%	500	-	510	-	510	510	510	508	501
PB 5%	495	-	505	-	505	505	505	503	496
WR 5%	485	-	500	-	490	490	500	493	477
WR 10%	480	-	490	-	480	485	-	484	467
WR 15%	475	-	480	-	-	480	-	478	463
WR 25%	455	-	-	-	-	460	-	458	445
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	410	-	430	-	425	420	-	421	419
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.10 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices increased 2-4 percent from the previous week due to rumors of large-volume enquiries from private importers in the Philippines. Most enquiries are reportedly 5% grade new-crop white rice with largest Thai rice exporters. Thai rice millers speculated that exporters will have to secure their new-crop rice supplies if the deals are finalized as they are currently holding mostly old-crop white rice from the government stock release. In addition, rice millers expect that domestic prices will trend upward as it seems to the trade more likely now that the new government from the general election on July 3, 2011 will likely be from a political party that supports the Paddy Mortgage Scheme with high intervention prices to replace current Price Insurance Program.

The government's weekly benchmark price for white rice for June 6-12 increased 1.6 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are slightly above the benchmark prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommati)	Provincial fragrant rice	Rathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/ha/ha/ha)	14	16	30 ^a	30 ^a	30 ^a
2. Insured prices (Baht/ton) ^a	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) ^a					
May 9-15	-	12,498	9,217	13,809	8,888
May 16-22	-	12,526	9,058	13,551	8,164
May 23-29	-	12,500	9,044	13,837	8,883
May 30 - Jun 5	-	12,506	9,088	13,847	8,071
Jun 6 - 12	-	12,566	9,262	13,843	8,197
4. Compensation (1-2), (Baht/ton)					
May 9-15	-	1,802	2,283	-	2,812
May 16-22	-	1,774	2,442	-	2,836
May 23-29	-	1,800	2,456	-	2,817
May 30 - Jun 5	-	1,794	2,412	-	2,929
Jun 6-12	-	1,734	2,238	-	2,803
5. Market prices (Baht/ton)					
May 9-15	12,700	12,900	9,590	15,500	8,150
May 16-22	12,700	12,900	9,590	15,500	8,150
May 23-29	12,700	12,900	9,590	15,790	8,150
May 30 - Jun 5	12,700	12,900	9,590	15,790	8,200
Jun 6-12 ^d	12,825	12,900	9,590	15,790	8,250

Note:

^a Cabinet approved on March 8, 2010 to raise eligible tonnage to 30 tons/ha/ha/ha for MY2010/11 off-season crop

^b Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^c Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^d The insured prices of MY2009/10 second-crop Rathum Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 main-crop Rathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.

^e The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.

^f As of Jun 6, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Rice Export Update

Unofficial rice exports (excluding fragrant rice) for May 30 – June 5, 2011 totaled 242,665 tons, up 4,477 tons from the previous week, and up 28,144 tons from the four week moving average of 214,521 tons. Exports of white rice and parboiled rice during January 1 – June 5, 2011 totaled 4,382,047 tons, up 70.7 percent from 2,566,548 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – May 31, 2011 amounted to 5,129,639 tons, up 50.0 percent from 3,409,399 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)					
WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Mar 27	190,244	211,190	2,368	1,501	57.7
Apr 3	174,121	195,860	2,542	1,601	58.8
Apr 10	220,993	193,061	2,763	1,708	61.7
Apr 17	97,067	170,606	2,860	1,774	61.2
Apr 24	226,216	179,599	3,086	1,872	64.8
May 1	214,233	189,627	3,300	1,975	67.1
May 8	223,502	190,255	3,524	2,099	67.9
May 15	194,850	214,700	3,719	2,217	67.8
May 22	182,380	203,741	3,901	2,324	67.9
May 29	238,188	209,730	4,139	2,433	70.1
Jun 5	242,665	214,521	4,382	2,567	70.7
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.</i>					
Source: Board of Trade of Thailand					

Table 4: Weekly private registered rice export sales			
Movement (MT)	May 16-20	May 23-27 (Revised)	May 30 - Jun 3 (Preliminary)
Weekly sales	225,805	252,183	101,097
4 week sum	1,108,836	1,047,145	958,362
4 week mov avg.	277,209	261,786	239,591
Year-to-date sales	4,361,149	4,613,332	4,714,429

End of report.